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Subject: Questions and Answers About Farm Wage Stabilization

Field Distribution: War Board members, Extension Editors, AAA Committeemen, BAE Analysts, OD Marketing Reports Chiefs, SCS, FSA, FCA Regional Information Chiefs

Suggested Use: Adoption and Use in News and Feature Stories, on Radio, and in House Organs, Visual Aids, etc. Background Information for Writers

1. What action has been taken to stabilize agricultural wages and salaries?

The War Food Administrator has jurisdiction over all wages of agricultural labor, and over salaries of agricultural laborers of \$5000 per annum and less.

2. What is the basis for the Administrator's authority?

He is vested with this authority under revised regulations of the Economic Stabilization Director, as amended on December 9, 1943. The authority is based on the Anti-Inflation Act of October 2, 1942, as amended. The Administrator has delegated his wage stabilization authority to the Director of Labor of the War Food Administration.

3. What else did the regulations of the Economic Stabilization Director do, so far as agricultural labor is concerned?

They "froze" wages and salaries of agricultural labor which are \$2400 a year or more and ruled that they cannot be increased without prior approval of the War Food Administrator, or the Commissioner of Internal Revenue where such salaries are above \$5000 per annum. Wages or salaries for any particular farm work cannot, as a general rule, be reduced below the highest amounts paid for that work between January 1, 1942, and September 15, 1942.

4. What about wages and salaries of agricultural labor which are below \$2400 a year?

An employer of agricultural labor is free to raise a worker's wage or salary payments up to \$2400 a year at his own option, unless a specific wage or salary ceiling applying to the worker's job has been put into effect by the War Food Administrator in the area where the worker is employed. In that case, of course, the worker can receive no more than the ceiling rate, which may amount to less, or more than \$2400 a year.

5. What is the reason for not "freezing" farm wages and salaries below \$2400 a year, except where specific ceilings are applied?

The exemption of agricultural wages and salaries which are below \$2400 a year from limitations placed by the Economic Stabilization Director on all nonagricultural wage rates is justified on the grounds (1) "that the general level of salaries and wages for agricultural labor is substandard," (2) "that a high disparity exists between salaries and wages paid in agriculture and salaries and wages paid

labor in other essential war industries," and (3) "that the retention and recruitment of agricultural labor is of prime necessity in supplying the United Nations with needed foods and fibers."

6. What were the purposes of regulations issued January 17 and 20, 1944, by the War Food Administrator?

On January 17, the Administrator issued "Regulations Relative to Salaries and Wages of Agricultural Labor" and on January 20 he issued "Specific Wage Ceiling Regulations." The first gives interpretations of the term "agricultural labor" and provides procedures for establishing wage and salary ceilings and for determining penalties for violations of the ceilings. The other governs specific wage ceilings once they have been established.

7. What is the difference between wages and salaries?

"Wages" mean all forms of direct or indirect compensation which is computed on an hourly or daily basis, a piece work basis, or other comparable basis, for personal services of an employe irrespective of when rendered. "Salary" means all forms of direct or indirect compensation which is paid on a weekly, monthly, annually, or other comparable basis, for personal services of an employe irrespective of when rendered. Each of these terms includes bonuses, additional compensation, gifts, commissions, loans, fees, and any other remuneration in any form or medium whatsoever. However, each term excludes insurance and pension benefits in a reasonable amount.

8. What is meant by the term "agricultural labor?"

Persons defined in Regulations Relative to Salaries and Wages of Agricultural Labor as "agricultural labor" are those employed in farming in any of its branches including, among other things, the cultivation and tillage of the soil; dairying; the production, cultivation, and harvesting of agricultural or horticultural commodities, and the raising of livestock, bees, or poultry. Employees engaged in the production, cultivation, growing, and harvesting of agricultural or horticultural commodities in a greenhouse, nursery, enclosed shed, or hotbed as well as on farms are classified as agricultural labor. In poultry raising, the work is defined in the regulations as agricultural labor whether performed on farms or in hatcheries. Employees who earn more than \$5000 per annum in such work, exclusive of bonuses and additional compensation, are subject to jurisdiction of the Commissioner of Internal Revenue.

9. What kinds of workers are specifically excluded from the definition of "agricultural labor?"

Persons specifically excluded are those employed at stockyards and engaged in raising fur-bearing animals. Also excluded are persons engaged in packing or other preparation of agricultural commodities for market, delivery of such commodities to storage or market, or to a carrier for transportation to market, unless they are engaged primarily as "agricultural labor" and just incidentally aid in these occupations when the commodities involved have been produced by their employers. However, such an employee is not considered to be employed in agricultural labor to the extent that he works in a packing shed or other establishment which employs eight or more employees in packing or other preparation of agricultural commodities for market. Independent contractors, or their

employees, engaged as clerks, managers, mechanics, maintenance men, and night watchmen are not considered agricultural workers.

10. Are any farm clerks, managers, and certain other farm workers classified under the term "agricultural labor?"

Yes, when clerical help, farm managers, mechanics, maintenance men, and night watchmen are directly employed to aid in farming operations, and are employed at the site of the operations.

11. Are cooks employed to work with agricultural labor crews within the jurisdiction of the War Food Administrator?

Yes, provided that such persons are directly employed to aid in farming operations and are employed at the site of operations.

12. Are blacksmiths hired by farmers, working at the site of the farm, within the jurisdiction of the War Food Administrator?

Yes, when such mechanics or maintenance men are directly employed to aid in farming operations, and are employed at the site of the farm.

13. Are clerical employees of nurseries and ferneries subject to jurisdiction of the War Food Administrator?

Yes, if such employees are directly employed to aid in farming operations and are employed at the site of the nursery or fernery. However, salesmen and chauffeurs of nurseries who are exclusively employed in those jobs are not agricultural labor.

14. Are clerical employees in a hatchery subject to jurisdiction of the War Food Administrator?

Yes. This applies to such persons if they perform their work either on a farm or in a hatchery. However, persons engaged solely in shipping the products of the hatchery are not to be considered "agricultural labor."

15. Are employees of independent contractors, who themselves actually perform an agricultural pursuit, within the jurisdiction of the War Food Administrator?

Yes. Such persons include chick sexors, fruit pickers, and threshers. However, independent contractors, or their employees, engaged as clerks, farm managers, mechanics, maintenance men, and night watchmen, are not subject to jurisdiction of the War Food Administrator.

16. Is the employe "agricultural labor" if he operates poultry projects for a wholesale poultry and egg company? He offers advice to the farmers who actually raise the chickens which the employing company furnished. Both the farmers and the employing company share in the proceeds when the chickens are sold.

No. It has been determined that an employe of a company, none of whose other employees were agricultural, and where there was considerable doubt that the particular employe's duties were agricultural, should not be classified "agricultural labor."

17. Is a milker in a dry lot dairy within the jurisdiction of the War Food Administrator?

Yes. All persons engaged in milking cows or goats are considered to be agricultural labor.

18. Are engineers and laborers of an irrigation company subject to jurisdiction of the War Food Administrator?

Yes, provided that the services are performed in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways which are used exclusively for supplying and storing water for farm purposes.

19. How can an individual or a group initiate a maximum wage rate in a given area?

If a State WFA Wage Board has not been set up, such persons should send their requests to the State Director of Extension. If the Director of Extension feels that action should be taken, he should advise the War Food Administrator accordingly and should nominate three or more persons, with alternates, for appointment by the War Food Administrator as a State WFA Wage Board. If a State WFA Wage Board has been set up, requests should be sent directly to the board.

20. What are the functions of a State WFA Wage Board?

(1) Conduct public hearings for the purpose of securing evidence on the basis of which the board may make recommendations to the War Food Administrator for the purpose of establishing wage or salary ceilings. (2) Supervise the carrying out of the provisions of maximum wage or ceiling rate regulations within the State. (3) Be responsible for the making of necessary adjustments on ceilings in specific cases and for enforcement of the Administrator's determinations.

21. What is the composition of a State WFA Wage Board?

Such a board consists of a chairman and two or more members, and an alternate for each. Members are appointed by the War Food Administrator.

22. What economic factors do State WFA Wage Boards consider in determining farm wage stabilization?

Basic stabilization rates can safely be established only in the light of the following considerations: (1) The past levels and trends of wages for the specific operation. (2) Customary differences by areas or districts. (3) Extent to which wages are substandard. (4) Relation of wage rates to growers' prices. (5) Relation to wages in nonfarm occupations. (6) Relation of wages for a specific operation to other farm wage rates in the area. (7) Types and amount of perquisites.

23. If a farm hand is paid \$100 per month, to what level can he be raised without prior approval of the War Food Administrator?

To \$200 per month. An employer is free to raise the wages and salaries of his workers up to \$2400 per annum unless and until the War Food Administrator establishes maximum wage ceiling regulations with respect to his area and crops. However, increases from below \$2400 per annum to more than \$2400 per annum, and

increases in payment of wages and salaries to employees earning \$2400 or more per annum may not be made without prior approval of the War Food Administrator.

24. Can a farm employee's pay be increased without prior approval from the War Food Administrator if his wages or salary for overtime work has the effect of increasing his earnings to \$2400 per annum or more in cases where the employer has not been in the practice of paying overtime?

No. Prior approval is required unless, prior to January 17, 1944, the practice of the employer had been to pay for overtime, and the rate and number of overtime hours has not been changed.

25. Can a farm employee's pay be increased without prior approval from the War Food Administrator if a bonus payment has the effect of increasing his earnings to \$2400 per annum or more?

No. Prior approval of the War Food Administrator is required if the wage or salary increase is by means of bonuses or other forms of additional compensation.

26. Can a farm employee be granted a wage or salary increase if he is promoted?

Yes. Reasonable adjustments may be made with the approval of the War Food Administrator in the case of promotions, reclassifications, merit increases, and incentive payments. However, such adjustments may not increase the level of production costs appreciably or furnish a basis either to increase prices or to resist otherwise justifiable reductions in prices.

27. Does a farm employee's wage or salary have a floor under the Regulations Relative to Salaries and Wages of Agricultural Labor?

Yes. No employer may decrease wages or salaries paid to agricultural laborers below the highest salary rate or wage paid for such work between January 1, 1942, and September 15, 1942, without the approval of the War Food Administrator.

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